

House File 2101 - Introduced

HOUSE FILE _____
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Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act creating a mathematics and science teacher practical
2 experience incentive program, providing for a tax credit, and
3 including a retroactive applicability date.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 5514YH 82
6 kh/nh/5

PAG LIN

1 1 Section 1. NEW SECTION. 272.34 MATHEMATICS AND SCIENCE
1 2 TEACHER PRACTICAL EXPERIENCE INCENTIVE PROGRAM == TAX CREDIT.
1 3 1. A mathematics and science teacher practical experience
1 4 incentive program is established to provide a mathematics or
1 5 science teacher with an opportunity to gain practical work or
1 6 research experience through on-site employment with a
1 7 business, industry, university, or state agency. The purpose
1 8 of the program is to enhance the teacher's skills, give the
1 9 teacher a better understanding of career opportunities in the
1 10 field for students, create enthusiasm which motivates the
1 11 teacher's students to pursue a postsecondary education and
1 12 career in the fields of mathematics and science, and permit
1 13 the teacher to bring the experience of working with the latest
1 14 technologies back to the classroom.
1 15 2. A teacher who is employed under an employment agreement
1 16 with an eligible entity or a state university or agency for
1 17 not less than two hundred forty hours during an eight-week
1 18 period shall be credited with earning, at a minimum, eighty
1 19 percent of the renewal units required for renewal of a license
1 20 issued by the board of educational examiners under this
1 21 chapter. In computing the renewal credit, fractions shall be
1 22 rounded up to the next higher whole number.
1 23 3. a. An eligible entity that meets the following
1 24 criteria shall be entitled to a tax credit equal to an amount
1 25 of twenty-five percent of the gross wages paid under the
1 26 program to the teacher:
1 27 (1) Enters into an employment agreement with a teacher for
1 28 the period specified in subsection 2.
1 29 (2) Employs the teacher in a position on-site that
1 30 provides substantial practical experience in the mathematics
1 31 or science subject area in which the teacher holds an
1 32 endorsement and is employed to teach.
1 33 (3) Pays the teacher an amount monthly that is at least
1 34 equivalent to the teacher's monthly pay in the employ of the
1 35 school district, accredited nonpublic school, or community
2 1 college. However, the eligible entity may pay the teacher on
2 2 a biweekly or weekly pay period basis.
2 3 b. The eligible entity shall claim the tax credit against
2 4 taxes imposed under chapter 422, division II, III, or V, and
2 5 chapter 432 and against the moneys and credits tax imposed in
2 6 section 533.329. Any credit in excess of the tax liability
2 7 shall be refunded. In lieu of claiming a refund, a taxpayer
2 8 may elect to have the overpayment shown on the taxpayer's
2 9 final, completed return credited to the tax liability for the
2 10 following taxable year.
2 11 c. If the eligible entity is a partnership, S corporation,
2 12 limited liability company, or estate or trust electing to have
2 13 the income taxed directly to the individual, an individual may
2 14 claim the tax credit allowed. The amount claimed by the
2 15 individual shall be based upon the pro rata share of the

2 16 individual's earnings of the partnership, S corporation,
2 17 limited liability company, or estate or trust.
2 18 d. The eligible entity shall certify to the department of
2 19 revenue that the program credit is in accordance with the
2 20 agreement and shall provide other information the department
2 21 may require.

2 22 4. For purposes of this section, unless the context
2 23 otherwise requires:

2 24 a. "Eligible entity" means a business or consortium of
2 25 businesses engaged in interstate or intrastate commerce and
2 26 which substantially utilizes mathematics or science for the
2 27 purpose of designing, engineering, manufacturing, processing,
2 28 or assembling products, construction, conducting research and
2 29 development, or providing services in interstate or intrastate
2 30 commerce, but excludes a business engaged in retail services.

2 31 b. "State university or agency" means an institution of
2 32 higher education governed by the state board of regents or any
2 33 state agency.

2 34 c. "Teacher" means an individual who is a resident of
2 35 Iowa; has been employed full-time as a teacher for a school
3 1 district, accredited nonpublic school, or community college in
3 2 Iowa for at least one year; is licensed and endorsed to teach
3 3 mathematics or science at the secondary level by the board of
3 4 educational examiners under this chapter; and is currently
3 5 employed in Iowa by a school district, accredited nonpublic
3 6 school, or community college to teach mathematics or science
3 7 at the secondary school level for more than sixty-six percent
3 8 of their contracted time.

3 9 Sec. 2. NEW SECTION. 422.11V MATHEMATICS AND SCIENCE
3 10 TEACHER PRACTICAL EXPERIENCE INCENTIVE TAX CREDIT.

3 11 The taxes imposed under this division, less the credits
3 12 allowed under section 422.12 shall be reduced by a mathematics
3 13 and science teacher practical experience incentive tax credit
3 14 authorized pursuant to section 272.34, subsection 3.

3 15 Sec. 3. Section 422.33, Code Supplement 2007, is amended
3 16 by adding the following new subsection:

3 17 NEW SUBSECTION. 25. The taxes imposed under this division
3 18 shall be reduced by a mathematics and science teacher
3 19 practical experience incentive tax credit authorized pursuant
3 20 to section 272.34, subsection 3.

3 21 Sec. 4. Section 422.60, Code Supplement 2007, is amended
3 22 by adding the following new subsection:

3 23 NEW SUBSECTION. 15. The taxes imposed under this division
3 24 shall be reduced by a mathematics and science teacher
3 25 practical experience incentive tax credit authorized pursuant
3 26 to section 272.34, subsection 3.

3 27 Sec. 5. NEW SECTION. 432.12L MATHEMATICS AND SCIENCE
3 28 TEACHER PRACTICAL EXPERIENCE INCENTIVE TAX CREDIT.

3 29 The taxes imposed under this chapter shall be reduced by a
3 30 mathematics and science teacher practical experience incentive
3 31 tax credit authorized pursuant to section 272.34, subsection
3 32 3.

3 33 Sec. 6. Section 533.329, subsection 2, Code Supplement
3 34 2007, is amended by adding the following new paragraph:

3 35 NEW PARAGRAPH. n. The moneys and credits tax imposed
4 1 under this section shall be reduced by a mathematics and
4 2 science teacher practical experience incentive tax credit
4 3 authorized pursuant to section 272.34, subsection 3.

4 4 Sec. 7. RETROACTIVE APPLICABILITY DATE. This Act applies
4 5 retroactively to January 1, 2008, for tax years beginning on
4 6 and after that date.

4 7 EXPLANATION

4 8 This bill establishes a mathematics and science teacher
4 9 practical experience incentive program to provide a
4 10 mathematics or science teacher with an opportunity to gain
4 11 practical work or research experience through on-site
4 12 employment with an eligible entity, which includes a business,
4 13 industry, university, or state agency. The bill provides for
4 14 a tax credit and includes a retroactive applicability date.

4 15 The board of educational examiners shall credit a teacher
4 16 who is employed under the program by a business, a consortium
4 17 of businesses, a state university, or a state agency, for not
4 18 less than 240 hours during an eight-week period, with earning
4 19 80 percent of the renewal units required for renewal of a
4 20 license issued by the board. In computing the renewal credit,
4 21 fractions shall be rounded up to the next higher whole number.
4 22 The bill defines "teacher" to include a resident of Iowa who
4 23 has been employed full-time as a teacher for a school
4 24 district, accredited nonpublic school, or community college in
4 25 Iowa for at least one year; is licensed and endorsed to teach
4 26 mathematics or science at the secondary level; and is

4 27 currently employed by a school district, school, or community
4 28 college to teach mathematics or science at the secondary
4 29 school level for more than 66 percent of their contracted
4 30 time.

4 31 A business or consortium of businesses that enters into an
4 32 agreement with a mathematics and science teacher, that employs
4 33 the teacher in a position on-site which provides substantial
4 34 practical experience in the teacher's subject area, and that
4 35 pays the teacher an amount which is at least equivalent to the
5 1 amount the teacher is paid for the equivalent time period by a
5 2 school district, accredited nonpublic school, or community
5 3 college shall receive a tax credit equal to 25 percent of the
5 4 gross wages paid under the program to the teacher.

5 5 The tax credit is allowed against personal and corporate
5 6 income tax liabilities, franchise tax liabilities for
5 7 financial institutions, insurance premium tax liabilities, and
5 8 credit union moneys and credits tax liabilities. The tax
5 9 credit is transferable to another taxpayer.

5 10 The bill defines "eligible entity" as a business or
5 11 consortium of businesses engaged in interstate or intrastate
5 12 commerce and which substantially utilizes mathematics or
5 13 science for the purpose of designing, engineering,
5 14 manufacturing, processing, or assembling products,
5 15 construction, conducting research and development, or
5 16 providing services in interstate or intrastate commerce, but
5 17 excludes businesses engaging in retail services.

5 18 The bill is retroactively applicable to January 1, 2008,
5 19 for tax years beginning on and after that date.

5 20 LSB 5514YH 82

5 21 kh/nh/5